IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Art Unit	: 3692	**Customer No. 035811**	
Examiner	: Harish T. Dass		
Serial No.	: 09/970,600	Docket No.: 1480-R-00	
Filed	: October 4, 2001		
Inventors	: William H. Wisecarver III		
	: Mary F. Nugent	Confirmation No.: 1951	
Title	: SYSTEM AND METHOD FOR		
	: ON-LINE PAYMENT TRANSACTIONS	Dated: August 18, 2009	

APPEAL BRIEF
PURSUANT TO 37 C.F.R. § 41.37

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In support of Appellants' appeal of the Examiner's final rejection of Claims 1 and 3-15,

dated March 5, 2009, we submit herewith an Appeal Brief.

REAL PARTY IN INTEREST

The real party in interest, by Assignment recorded in the USPTO records at Reel 012240

and Frame 0214, is Sacon Capital, located at 1530 North Key Blvd., #928, Rosslyn, Virginia

22209.

RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences.

STATUS OF THE CLAIMS

Claims 1 and 3-15 stand rejected and are on appeal. Claims 1, 4, and 5 are independent claims.

STATUS OF THE AMENDMENTS

As a preliminary matter, Appellants believe a brief overview of the prosecution history in this case would be beneficial. This application has now been pending for almost eight (8) years (nine (9) years from the October 13, 2000 date of the priority provisional application). Unfortunately, despite significant effort (and expense) on the Appellants' part, this application is no further along than it was eight (8) years ago. There has been **twelve (12)** actions issued by the Examiner in this case, which has required Appellants to submit eleven (11) responses and now this Appeal. In general, prosecution has followed the course of an Office Action being issued, Applicants then successively overcoming all rejections, however, rather than a Notice of Allowance being issued, a new Office Action would issue citing either new rejections not previously raised or new art following a supplemental search (i.e., there have been at least five (5) Examiner searches conducted). It is important to note that Appellants' claims have **remained substantially unchanged** throughout this entire process. Nonetheless, Appellants have repeatedly tried to be accommodating by addressing the merits of each Office Action, despite the obvious questions why any such new issues or art were not previously raised, and also that the new prior art was either merely cumulative over art already cited or of questionable relevance.

Appellants even expressed its frustration to the Examiner and SPE in an October 14, 2008 Interview. During the Interview it was represented to Appellants that the Examiner would telephone the Appellant should any issues remain after Appellant submits its next Response,

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rather than issuing another Office Action, so as to "accelerate the prosecution of the invention", due to the acknowledged long duration and inefficiencies that have occurred with the examination process. In addition, Appellants' proposed draft Response was discussed during the Interview, and it was acknowledged that Appellants' incorporation of claim 2 into claim 1 would overcome all rejections and result with the claims being allowable. The Appellants subsequently followed the SPE and Examiner's direction and submitted its formal Response on December 4, 2008. Inexplicably, the current Final Office Action was issued in reply on March 5, 2009, in which the claims not only were not allowed as expected (brand new rejections were raised), but the protocol that Examiner and SPE themselves set up to telephone the Applicant to avoid issuing such Office Action failed to be followed.

As to the current status of the claims, claims 1, 3-7, 9, 11, and 13-15 were amended subsequent to the final rejection of March 5, 2009 pursuant to a June 29, 2009 telephone conference held with the Examiner. During the telephone conference, the Examiner proposed and agreed to accept and enter the following after-final claim amendments as overcoming the newly raised §112, 2nd paragraph and §101 rejections, so as to place the present application in better form for appeal (note: Claim 2 was cancelled as part of Appellants' December 4, 2008 Response).

1.) Claims 1 and 3-7 were amended to revert the phrase "merchant account" to "merchant", as originally claimed.

2) Claims 1 and 6 were amended to modify the phrase "account number" to "lockbox account number", at the urging of the Examiner to 'clarify' which account was being referenced.

3) Claims 1, 3, and 11 were amended to clarify that a system provider computer is the apparatus that accomplishes the claimed method steps.

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Notably, the Appellant did not consider these changes necessary on the merits, but made these changes primarily to accommodate the Examiner. The Examiner also acknowledged during the June 29, 2009 telephone conference that none of the foregoing claim amendments add new matter to the claims, particularly since the amendments simply revert certain claim language back to its previously-examined state, and/or clarifies the structure that is performing the claimed method steps (see detailed discussion below).

Incredibly, in an Aug. 11, 2009 Advisory Action, the amendments were refused entry into the Official Record because the amendments allegedly "**require review of the specification and a new search[.]**"

Appellants respectfully submit that the examination process has not only been inefficient resulting with significant effort and expense on Appellants' part to prosecute this Application, but runs contrary to the patent rules requiring an effective and efficient examination. (*see*, 37 CFR § 1.104 (requiring an examiner's action to be complete with a thorough study and investigation to the subject matter). Indeed, all patent applications before the U.S. Patent Office are to be prosecuted under a policy of "compact" prosecution. According to this policy, Examiners are to provide Applicants with a prompt and complete examination of their application(s), which includes providing all information that is necessary to resolve issues related to patentability. (*see* Official Gazette, Nov. 7, 2003; see also 37 CFR 1.104(b), which requires examiner's actions to be complete as to all matters, emphasis added). To that end, the MPEP mandates the avoidance of piecemeal examination by requiring examiners to reject each claim on *all valid grounds available* at the time of the examination. (*see* MPEP 707.07(g)). Further, examiners are required to state all reasons and bases for rejecting the claims, with any deficiencies being clearly explained, particularly when they serve as a basis for a rejection. (*see*

MPEP 2106). In fact, examiners are strongly encouraged to indicate how rejections may be overcome and how any pending problems may be resolved. (*Id.*) Notably, a failure to follow this approach is understood to lead to unnecessary delays and piecemeal prosecution of the application. (*Id., see also* MPEP 707.07(g) prohibiting piecemeal examination of applications and MPEP 707.07(f) requiring an examiner to provide a clear explanation of all actions taken during prosecution, answer the substance of an applicant's argument in traverse when rejected, and provide reasons why a previous rejection is withdrawn).

SUMMARY OF CLAIMED SUBJECT MATTER

Pursuant to 37 CFR § 41.37(v), the following is a concise explanation of the subject matter defined in each of the independent claims involved in the appeal.

The claimed subject matter relates to securely facilitating on-line transactions between a consumer and a merchant. A representative block diagram of an exemplary transaction system is shown in Fig. 1 of Appellants' drawings. Suffix numbers from the representative block diagram are applied to the description below for the Board's convenience.

Claim 1

Claim 1 is directed to a computer implemented method for payment transactions between a consumer 11 and a merchant 18. To that end, Claim 1 recites a system provider computer 12 electronically verifying that the consumer 11 has an established credit card account. (*see* pg. 3, ln. 23-pg. 4, ln. 1 of the originally-filed specification). The provider computer 12 then creates an electronic lockbox account 16 which is associated with the consumer 11 and houses data relating to the consumer and the consumer's credit card account. (*see* pg. 4, lns. 1-6). Notably, this lockbox account is not a funded account, such as a credit card account, for example. Next, the provider computer 12 is used to create a lockbox account number and a purchasing limit

associated with the lockbox account. (*Id.*) The generation of a lockbox account number and purchasing limit is for security reasons, to avoid public access to the consumer's personal credit card account information. (*Id.*) In particular, by using the lockbox account number in a payment transaction, such as with a merchant, none of a consumer's sensitive credit card account information is made known, which avoids the risk of some third party stealing the consumer's credit card information and thus preventing subsequent financial losses to the consumer or credit card issuer, such as fraudulent payment transactions, or other potential illegal activities, such as obtaining a flight boarding pass issued to the consumer, which are dispensed at airports merely based on credit card identification.

Once the lockbox account 16 is set up, the consumer 11 is ready to transact. To that end, Claim 1 recites the consumer 11 initiating a purchase transaction by first entering a lockbox number (in lieu of a credit card number) at a merchant 18 site. (*see* pg. 3, lns. 3-11). The merchant 18 routes the dollar amount of the purchase transaction and lockbox account number to the provider computer 12 to verify the account number and to verify that the dollar amount is within purchasing limits. (*Id.*) Once the verification step is completed, the purchase transaction is completed and settled via the provider computer 12 requesting funds from the consumer's 11 credit card account 14; and directing that the funds be routed directly from the credit card account 14 to the merchant 18. (*Id.*) This procedure is accomplished "behind the scenes" so that the consumer's credit card account information is kept private and unknown to the merchant.

Claim 4

Claim 4 is directed to a system 10 for e-commerce transactions. To that end, Claim 4 recites a consumer computer 11, a merchant computer 18, a credit card bank computer 14, and a system provider computer 12 in communication with one another. The consumer computer 11

is in communication with the provider computer 12 to create lockbox accounts and establishing purchasing limits. (*see* pg. 3, ln. 21 – pg. 4, ln. 6). The provider computer 12 is in communication with the credit card bank 14 verifying the consumer's 11 credit card account information and requesting that payments be made to the merchant computer 18 on behalf of the consumer computer 11. (*see* pg. 4, lns. 17-19). The consumer computer 11 is in communication with the merchant computer 18 executing purchasing transactions. (*see* pg. 3, lns. 3-5).

Notably, the lockbox accounts do <u>not</u> store funds; and the merchant computer 18 does <u>not</u> have access to the consumer's 11 credit card account. (*see* pg. 3. lns. 12-13).

Claim 5

Claim 5 is directed to a computer system for payment transactions between a consumer and a merchant. To that end, Claim 5 recites a system computer 12 comprising software having means for: verifying a consumer's credit card account, creating a lockbox account, requesting funds from the consumer's 11 credit card account, and routing requested funds to a merchant computer 18; and a consumer computer 11 having means for establishing a purchasing limit associated with the lockbox account. (*see* pg. 3, lns. 3-11; and pg. 4, lns. 1-2)

GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Claims 1, 3, and 8-12 are rejected under 35 USC §101 as being directed to non-statutory subject matter. Claims 1 and 3-14 are rejected under 35 USC §112, first paragraph as failing to comply with the written description requirement. Claims 1, 3, and 6-12 are rejected under 35 USC §112, second paragraph as being indefinite. Claims 1, 4-6, and 8-14 are rejected under 35 USC §103(a) as being unpatentable over Cheong (US 7,006,993) in view of Hutchinson (US 2005/0192896), Cohen (US 1003/0097331), and Mullins (US 6,352,205). Claims 3 and 7 are

rejected under 35 USC §103(a) as being unpatentable over Cheong, Hutchinson, Cohen, Mullins, and Gustin (US 2005/0035193).

ARGUMENT

Rejection of Claims 1, 3, and 8-12 under 35 USC §101

Claims 1, 3, and 8-12 stand rejected under §101 in light of the Federal Circuit's November 2008 decision in *In re Bilski*. *Bilski* held that "the machine-or-transformation test . . . is the governing test for determining patent eligibility of a process under § 101." *See Ex parte Srinivas Gutta* (Appeal 2008-3000) citing *In re Bilski*, 545 F.3d 943, 956 (Fed. Cir. 2008). The machine-or-transformation test is a two-branched inquiry. An applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. *Id.* at pgs. 3 and 4, citing *Bilski* at 961-62.

Notably, during a December 1, 2008 telephone conference with the Examiner, the Examiner suggested amending the claims to recite that the transaction steps were being performed "over a computer network" as a way of overcoming the §101 Bilski issues. This understanding was codified, and the claims accordingly amended, in Appellants' Response of 12/4/08. (*see* Appellants' 12/4/08 Response, at pg. 8).

Inexplicably, this §101 rejection was again raised in the final Action of 3/5/09. In response to this rejection, the Appellants held a June 29, 2009 telephone conference with the Examiner to discuss potential solutions for overcoming this rejection. During that discussion, the Examiner suggested and agreed to enter an amendment to Claims 1, 3, and 11 that further tied the claimed method steps to a "system provider computer" over a computer network. As an accommodation, Applicant submitted a Response on July 2, 2009 with such revised claims. Notably, the "system provider computer" was already claimed and examined as part of

Appellants' corresponding system and apparatus claims (*see* Claims 4 and 5, for example). As a result, no new matter was added as a result of this amendment.

Nonetheless, in an August 11, 2009 Advisory Action, the Examiner refused to enter the foregoing claim amendments, stating that such amendments "require review of the specification and new search [.]"

The Appellants submit that <u>even prior to</u> Appellants' after-final amendment of July 2, 2009, the claims were already compliant with Bilski, as all transactions were tied to a particular apparatus / machine, namely a "computer network[.]" As a result, the Appellants submit that the §101 rejection raised in the final Action was improper, and respectfully request that it be reversed.

Rejection of Claims 1 and 3-14 under 35 USC §112, first paragraph

Claims 1 and 3-14 stand rejected under §112, first paragraph, as allegedly failing to comply with the written description requirement. According to the final Office Action (the "final Action"), mailed 3/5/09, the phrases "merchant account" and "no funds are stored" as recited in Claim 1; "merchant account" and "lock box account does not store funds" as recited in Claim 5; and "merchant account" as recited in Claim 4 are not supported by the originally-filed application. Appellants respectfully disagree and provide the following support.

1.) *"merchant account"*

With regard to "merchant account," it is noted that the term "account" was added to the claims for the first time in the Appellants' December 4, 2008 Response to the June 12, 2008 Office Action. Notably, the term "account" was added as a direct result of a telephone conference held with the Examiner on December 1, 2008. During that discussion, the Appellants were lead to understand that adding the term "account" to "merchant" was required to place the

then-pending claims in condition for allowance. This understanding was codified in the Appellants' December 4, 2008 Response. (*see* December 4, 2008 Response, page 9.)

The history of how the term "merchant account" came to be was recently discussed with the Examiner during a June 29, 2009 telephone conference. As a result of that discussion, the Examiner agreed to enter an after-final amendment that would revert the phrase "merchant account" to "merchant", as it was prior to the Appellants' December 4, 2008 Response.

Nonetheless, in an August 11, 2009 Advisory Action, the Examiner refused to enter the foregoing claim amendment, stating that such amendment "require review of the specification and new search [.]"

The Appellants submit that <u>even prior to</u> Appellants' after-final amendment of July 2, 2009, the claims already complied with the written description requirement of §112, first paragraph, particularly since "merchant account" finds clear support at pg. 3, lines 3-15 and pg. 4, line 8, for example, of the originally-filed specification. As a result, the Appellants submit that the §112, first paragraph rejection raised in the final Action (in connection with the term "merchant account") is improper, and respectfully request that it be reversed.

2.) *"lockbox account does not store funds"*

With respect to the phrase "lock box account does not store funds," it is noted that in the Appellants' February 14, 2008 Response, the claims were amended to recite this particular limitation. (*see* February 14, 2008 Response, Claim 1 on page 2, for example). The Feb. 14, 2008 Response identified support for this limitation in the originally-filed application, namely, at pg. 3, lines 3-11, and pg. 10, lines 8-10, for example.

The subsequent non-final Office Action that issued on June 12, 2008 accepted the "lock box account does not store funds" limitation as supported by the originally-filed specification,

and did not reject any claims based on Section 112, first paragraph. Nonetheless, in the March 5, 2009 final Action, the Examiner rejected this limitation under §112, first paragraph.

Since the phrase "lock box account does not store funds" was previously examined and determined to have adequate support (e.g., at pg. 3, lines 3-11, and pg. 10, lines 8-10), Appellants submit that this §112, first paragraph grounds of rejection is improper, and respectfully request that it be reversed.

Rejection of Claims 1, 3, and 6-12 under 35 USC §112, second paragraph

Claims 1, 3 and 6-12 stand rejected under §112, second paragraph, as allegedly being indefinite. According to the final Action, it is unclear to which account the "account number", as recited in Claims 1 and 6, refers. As detailed below, the Appellants submit that this grounds of rejection is improper, and respectfully request its reversal.

To begin, none of Claims 3, 7, 8 and 10-12 simply recite an "account", with no further qualifier or descriptors. Nonetheless, these claims were rejected under §112, second paragraph as being indefinite. Further, it is noted that in Appellants' February 14, 2008 Response, Claims 2 and 6 were amended to recite "account number." Following the February 14, 2008 Response, the Examiner issued a non-final Office Action on June 12, 2008, in which the amendments to Claims 2 and 6 were accepted, and in which no other §112, second paragraph rejections were raised. Subsequently, in Appellants' December 4, 2008 Response, Claim 2 was cancelled, and its subject matter was incorporated into Claim 1. Inexplicably, the final Action viewed this change as giving rise to a rejection under §112, second paragraph.

All of the foregoing was discussed with the Examiner during a June 29, 2009 telephone conference. As a result of that discussion, the Examiner agreed to withdraw its §112, second paragraph rejection if Appellants were to amend the claims by adding a descriptive term to the

phrase "account number[.]" Notably, the claims only recite creating one type of account number (i.e., a lockbox account number). As a result, the Appellants do not understand the need for this amendment. Nonetheless, in an effort to advance this case towards allowance, the Appellants conceded and amended Claims 1 and 6 to recite a "*lockbox* account number", rather than an "account number[.]" Claims 9 and 13-15 were also amended to recite "lockbox account" instead of "the account."

In an August 11, 2009 Advisory Action, the Examiner maintained the §112 rejection and refused to enter the foregoing claim amendments, stating that such amendments "require review of the specification and new search [.]"

The Appellants submit that even prior to Appellants' after-final amendment of July 2, 2009 (in which the term "lockbox" was added to accommodate the Examiner), the claims clearly set forth the subject matter being claimed in compliance with §112, second paragraph. As a result, the Appellants submit that this §112, second paragraph grounds of rejection is improper, and respectfully request that it be reversed.

Rejection of Claims 1, and 3-14 under 35 USC § 103(a)

1.) Finality of the §103(a) Rejections

In the final Action of March 5, 2009, the Mullins reference was applied to the claims for the first time. Mullins was cited as allegedly disclosing the "executing a purchase transaction" limitation of Claim 1. (*see* final Action of 3/5/09 at pg. 8). Notably, this "executing a purchase transaction" limitation was originally recited in Claim 2. However, in Appellants' December 4, 2008 Response, Claim 2 was cancelled and its subject matter (i.e., the "executing a purchase transaction" limitation) was incorporated into Claim 1. As a result, this amendment to Claim 1 should not have resulted in a determination that 'new matter' was added.

Nonetheless, the Examiner determined that incorporating the previously-examined Claim 2 into Claim 1 gave rise to new matter, and as a result, conducted a new prior art search. As a result of this new search, the Mullins reference was identified and cited as disclosing the "executing a purchase transaction" limitation. This §103 rejection was made final.

Since the "executing a purchase transaction" limitation had already been examined, its incorporation into Claim 1 should not have given rise to new matter. Moreover, another prior art search should not have been conducted absent some good and plausible reason. Indeed, continuing to conduct needless prior art searches amounts to piece-meal prosecution which directly violates the principal of compact prosecution. (see, e.g., MPEP 707.07(g)).

In this case, the Examiner provided no reasons for conducting the additional search, other than to suggest that the Appellants added 'new matter'. As noted above, the subject matter that was incorporated into Claim 1 had already been searched and examined, as a result, the additional search was unnecessary. Moreover, even if, arguendo, there were some legitimate reason for conducting the additional search, any rejection based on that search should not have been made final. Indeed, any action on the merits in which the examiner introduces a new ground of rejection that is "neither necessitated by applicant's amendment of the claims, nor based on information submitted in an information disclosure statement" shall not be made final. (see MPEP 706.07(a)). Accordingly, the Appellants submit that the additional prior art search and the finality of the final Action are improper.

2.) Substance of the §103(a) Rejections

Claims 1, 1-6, and 8-14 stand rejected under 35 USC §103(a) as being unpatentable over Cheong, Hutchison, Cohen, and Mullins. Claims 3 and 7 stand rejected under 35 USC §103(a) as being patentable over Cheong, Hutchison, Cohen, Mullins, and Gustin. As further detailed

below, the aforementioned cited art does not render the instant Application obvious because (1) the cited art fails to teach all elements of the claims; and (2) the Examiner's specific rejections are either misplaced or inadequately supported.

To begin, the Appellants note that the claims are rejected based on the combination of four to five references. It is noted that "[t]he requisite prior art suggestion to combine becomes less plausible when the necessary elements can only be found in a large number of references..." (*see* 5-313 Donald S. Chisum, *Chisum on Patents*, 5.04[1][e][vi] (2007)). In this case, no plausible suggestion or motivation for combining these four to five fundamentally different references has been provided. As a result, the Appellants submit that the presumption against the suggestion to combine these references has not been overcome, particularly in view of the fact that up to five references are required to allegedly achieve the Appellants' invention.

Turning now to the cited references themselves, the Appellants submit that the final Action has not met its burden of showing that each and every element of the claims is met by the cited references and, therefore, has not made a *prima facie* case of obviousness. Further, specific rejections that were included in the final Action are either misplaced or inadequately supported.

Cheong is the "primary" reference cited against the claims in the § 103 rejections. Notably, however, Cheong has not been applied to the current claim language. For example, the final Action alleges that Cheong discloses "creating an electronic data account." (*see* final Action, page 5.) This limitation, however, is not recited in any of the claims. In addition, the final Action alleges that Cheong discloses "authorizing an amount of credit within the financial account of limited access", another limitation that is not recited in any of the claims. In fact, this "authorizing" limitation was deleted from the claims in Appellants' August 15, 2007 Response.

The Appellants submit that the foregoing rejections are clearly misplaced, and are likely a result of recycling past rejections.

Cheong is also cited as allegedly disclosing "requesting funds from the consumer's established credit card account and routing the funds to [a] merchant." (*see* final Action, at pg. 5.) However, the final Action fails to provide a cite for *where* in Cheong this feature is allegedly disclosed. Further, Cheong is cited (at col. 15, lns. 15-18) as allegedly disclosing the feature of "creating a data account number and access code and confirming the credit amount and access code." A close examination of this citation, however, reveals otherwise. Indeed, this cited portion of Cheong discloses *withdrawing pre-loaded funds from a surrogate card* rather than debiting that card against purchases. In other words, funds are routed from a funded surrogate account, as opposed to being routed from a consumer's credit card account, as in Claim 1, for example.

The final Action goes on to allege that:

> ". . . credit card transaction is old and will-known (sic), where the merchant forwards the customer receipt to merchant account bank with total collection amount and during the process the customer's available credit limit is reduced to new value. For example, a customer with outstanding purchasing limit of $10,234.23 (max limit – total spending up to this point) charges another $1000.00, the new limit is reduced to $9234.23 (see any consumer's credit card statement), the merchant bank collect the money from credit card company less the credit card fee and forwards to merchant (deposit to merchant account) the collected amount less banks processing fees/commission.
>
> Similarly smart cards are known which have memories for holding the spending limits, upper limit, password, controlling the spending limits and authorization for higher limits, and transaction history and can be used where the merchant does not need to get authorization like regular cards." (*see* Office Action, pages 6-7.)

The final Action, however, provides no support for the foregoing assertions, nor does it apply the foregoing assertions against any of the claim elements. In other words, the final Action fails to identify which elements of Claim 1 are disclosed by the above assertions, and/or which deficiencies of Cheong the above satisfies. The final Action also fails to provide any motivation for modifying Cheong's structure to include the above.

The final Action further alleges:

> "Similarly, smart cards are known which have memories for holding the spending limits, upper limit, password, controlling the spending limits and authorization for higher limits, and transaction history and can be used where the merchant does not need to get authorization like regular cards." (*see* Office Action, page 7.)

Again, the final Action does not provide any support for the assertion, nor is it applied against any of the claim elements. As a result, it is unclear which claim elements the above is cited as disclosing and/or which deficiencies of Cheong the above satisfies. The final Action also fails to provide any motivation for modifying Cheong's structure to include the above.

Notably, Claim 1 recites a "consumer credit card account is stored in the lock box account." The final Action, however, does not identify which reference, if any, discloses this limitation. Accordingly, it is believed that the final Action has acknowledged that none of the references discloses this particular element. Thus, for at least this reason, Claim 1 should be allowed.

Accordingly, since Cheong (and as a result, any combination that includes Cheong) admittedly fails to disclose each and every claim element, and since certain of the Examiner's rejections that are based on Cheong are misplaced or unfounded, the Appellants respectfully request that all §103 rejections be reversed.

In addition to the foregoing, the Appellants submit that the Examiner has failed to establish that one of skill in the art would have been motivated to combine the cited references. Further, even if, *arguendo*, such combinations were made, the combination would still fail to meet each and every claim element recited in the claims.

The final Action admits that Cheong fails to disclose a lockbox or its equivalent, and that the lockbox does not store funds. Nonetheless, Cohen is cited as disclosing "electronic safety deposit boxes," which are allegedly equivalent to the recited lockbox. The final Action further alleges that it would have been obvious to modify Cheong's system based on Cohen's disclosure. For reasons set forth below, the Appellants disagree.

First, Cohen <u>does not</u> disclose a *non-funded* lockbox, or its equivalent. Instead, Cohen discloses a system comprised of a "metabank" and a "webbank", which are essentially on-line banks. (*see e.g.*, [0031], "[t]he webbankTM (also referred to as a milliiibank^{TM} minibank, or so forth) is a new financial vehicle consisting of a miniature Internet bank, i.e. a personal or corporate Internet bank which anyone can open on the World Wide Web.") These "banks" are used to store a user's funds, similar to a traditional bank, but are without the infrastructure. Put another way, these banks are *funded accounts* for "permanently" storing money. The lockbox of Claim 1, to the contrary, is an <u>unfunded</u> data account used to store information, not funds.

Further, the "electronic safety deposit box" disclosed by Cohen is not the equivalent of the claimed lockbox. Instead, Cohen's electronic safety deposit box is akin to a physical safety deposit box in that it stores and secures items such as important documents. According to Cohen, "the user can easily and quickly access and present verified, digital copies of important documents and records from a central location, for self-access or presentation to third parties." (*see* Cohen, ¶[0068]; *see also* ¶[0018], describing using electronic safety deposit boxes to

maintain secure copies of important records.) Unlike the lockbox of the instant Application, the electronic safety deposit box of Cohen does not store account information, nor does it route data and/or funds to a merchant. As a result, Cohen fails to disclose the recited lockbox feature.

Even if, *arguendo*, Cohen did disclose a lockbox, one of skill in the art would not modify Cheong's system to include such a lockbox feature, as to do so would render Cheong's system inoperable.

As noted above, Cheong discloses a "surrogate system" for transactions that allows an individual *without a credit card* to shop at online merchant sites. To that end, Cheong provides a surrogate account that is *funded* using numerous fund sources. A user with a funded account can then shop at merchant web sites via the Cheong surrogate system. Notably, the user cannot access a merchant site directly, but must instead go through the surrogate site.

When merchandise is selected for purchase, a purchase transaction is executed using the user's surrogate *funded* account. (*see* Cheong, Abstract, emphasis added.) No connection or inquiry is made to the user's credit card account.

Unlike claims of the instant application, Cheong has no use for an *unfunded* lockbox account that stores a user's actual credit card information. In fact, Cheong teaches away from non-funded accounts, such as accounts that rely on a credit card, and considers them "problematic." (*see* Cheong col. 1, lns. 16-55; col. 2, lns. 14-25). As a result, every embodiment disclosed by Cheong requires establishment of a pre-funded account before purchases can be made. The lockbox feature of Claim 1, on the other hand, is a non-funded account, which permits users to make purchases *without* having to first fund the account. Accordingly, even if, *arguendo*, Cohen discloses an unfunded lockbox, one of skill in the art would not combine such a feature with Cheong, as to do so would render Cheong inoperable.

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As noted above, the final Action also combined Mullins with Cheong and Cohen (in addition to Hutchinson) in order to allegedly achieve the elements of Claim 1. According to the final Action, "[i]t would have been obvious ... to combine the disclosure of Cheong, Hutchison and Cohen and include the ... features as disclosed by Mullin (sic) to provide a pseudo monetary system with database (sic) which associates the pseudo account number to actual financial account (sic) and allow (sic) the customer to use pseudo account number instead of his/her credit card for online purchases and prevent fraud (sic)." (see final Action at pg. 8). Appellants respectfully disagree.
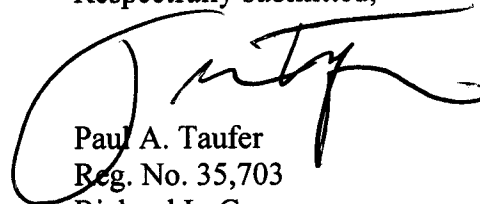
One of skill in the art would not be motivated to combine Mullins with Cheong's system. In particular, one of skill in the art would not associate an account number (Mullins) with the surrogate card of Cheong. Indeed, Fig. 37 of Cheong shows a purchase screen using its system. As described, a user logs onto a merchant website through the surrogate system website. After selecting products to purchase, at checkout, "Rocketcash" is *automatically* filled into the payment windows so that the user *does not have to enter any account information.* (see col. 20, lns. 4-10.) In other words, no account number is required or associated with the surrogate account of Cheong. Instead, Cheong uses the user's log-in to provide funding for purchases. At no time, however, is an account number entered or verified against a stored account number. As a result, there is no need, let alone any motivation, to combine the account verification feature of Mullins with the system of Cheong.

In view of the foregoing, Applicants respectfully submit that the cited prior art fails to teach or suggest each and every claim element of Claim 1, and of Claims 3-15 which recite similar features; and that the majority of the Examiner's rejections are either misplaced or

inadequately supported. Accordingly, the Appellants request that all §103 grounds of rejection be reversed.

In sum and in view of the foregoing, Appellants respectfully request that the rejection of Claims 1, and 3-15 be reversed.

Respectfully submitted,

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CLAIMS APPENDIX

1.   A computer implemented method for payment transactions between a consumer and a merchant account comprising the steps of:

verifying electronically and over a computer network, that the consumer has an established credit card account;

creating, over a computer network, an electronic lock box account, wherein the lock box account is associated with the consumer and comprises an electronic account into which data is stored relating to the consumer and no funds are stored, wherein the consumer credit card account is stored in the lock box account;

establishing, over a computer network, a purchasing limit and an account number, and storing, over a computer network, the purchasing limit and the account number within the lock box account;

executing, over a computer network, a purchase transaction between the consumer and a merchant account comprising:

entering the lock box account number;

routing the dollar amount of the purchase transaction and the entered lock box account number to the lockbox;

verifying that the dollar amount of the purchase transaction is within the established purchasing limit and that the entered account number matches the entered lock box account number; and

completing the purchase transaction if the amount of the purchase transaction is within the established purchasing limit stored in the lock box account; and

settling, over a computer network, the transaction with the consumer's credit card account, wherein the settling step comprises:

requesting funds from the consumer's established credit card account corresponding to the amount of the purchase transaction; and

routing funds corresponding to the amount of the purchase transaction directly from the consumer's credit card account to the merchant account.

2. (Canceled)

3. The computer implemented method according to claim 1 further comprising the steps of:

after the step of requesting funds from the consumer's established credit card account, receiving the requested funds from the consumer's established credit card account;

routing the funds to the merchant account by wiring the purchase dollar amount of the purchase transaction to the merchant account less a discount fee; and

reducing the established purchasing limit in the lock box by the purchase dollar amount.

4. A system for e-commerce transactions comprising:

a network comprising, in communication, a consumer computer, a merchant computer providing a merchant account, a credit card bank computer and a system provider computer;

the consumer computer in communication with the system provider computer for creating a lock box account, establishing a purchasing limit, and associating the purchasing limit with the lock box account;

the system provider computer in communication with the credit card bank computer for verifying consumer credit card account information and for requesting and receiving funds for issuing payments to a merchant account after a consumer executes a purchase transaction;

the consumer computer in communication with the merchant computer and merchant account for executing purchase transactions totaling up to the established purchasing limit; and

the system provider computer in communication with the merchant computer and merchant account for verifying consumer lock box account information and for issuing funds received from the credit card bank computer to pay for consumer purchase transactions;

wherein the lock box does not store funds; and

wherein the merchant computer does not have access to the credit card account and information regarding the credit card account.

5.   A computer system for payment transactions between a consumer and a merchant account, the system comprising:

a system provider computer comprising computer software, the computer software comprising:

means for verifying that a consumer has an established credit card account;

means for creating a lock box account for storing purchase limit information;

means for requesting funds from the consumer's established credit card account after the consumer executes a purchase transaction; and

means for routing the requested funds to a merchant computer, which comprises a merchant account; and

a consumer computer in communication with the system provider computer, said consumer computer comprising:

means for establishing a purchasing limit, said purchasing limit being associated with the lock box account; and

wherein the lock box account does not store funds.

6.   The system according to claim 5, wherein the means for creating an electronic lock box account further comprises means for creating an account number and access code, the consumer computer further comprising:

means for accessing a merchant account via a computer network;

means for performing procedures for executing a purchase transaction, said purchase transaction totaling a purchase dollar amount;

means for entering the account number;

means for entering the access code; and

means for electronically routing the account number and access code to the service provider computer, said service provider computer further comprising:

means for confirming the account number and access code; and

means for verifying that the purchase dollar amount is within the established purchasing limit; and

wherein the merchant does not have access to the credit card account and information regarding the credit card account.

7. The system according to claim 6, wherein the service provider computer further comprises:

means for receiving the requested funds from the consumer's established credit card account;

means for wiring the purchase dollar amount of the transaction to a merchant account less a discount fee; and

means for reducing the established purchasing limit in the lock box by the purchase dollar amount.

8. The computer implemented method according to claim 1, wherein the credit card account comprises any of one or more accounts consisting of a credit card account, a debit card account, a smart card account, a check cashing card account or an electronic account recording service.

9. The computer implemented method according to claim 8, wherein the account number further comprises a lock box account access code.

10. The computer implemented method according to claim 9, wherein the only information needed by the lock box to verify the purchase transaction is the established lock box account number, the entered lock box account number, the established lock box account access code, the entered lock box account access code, the established dollar purchase amount and the transaction dollar purchase amount.

11. The computer implemented method according to claim 1, further comprising reducing the established purchasing limit in the lock box by the amount of the purchase transaction.

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12.   The computer implemented method according to claim 1, further comprising establishing the amount of the purchasing limit stored in the lock box by the consumer.

13.   The system for e-commerce transactions of claim 4, wherein the consumer computer is in communication with the system provider computer for establishing an account number and access code, and associating the account number and access code with the lock box account.

14.   The system for e-commerce transactions of claim 13, wherein the consumer computer is in communication with the merchant computer for entering an account number and an access code during a purchase transaction.

15.   The system for e-commerce transactions of claim 14, wherein the system provider computer is in communication with the merchant computer for verifying the account number and access code entered during the purchase transaction.

EVIDENCE APPENDIX

None

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RELATED PROCEEDINGS APPENDIX

None